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## Routes To the Renaissance for Pittsfield, MA

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## APPENDIX XI: SAMPLE PRO FORMA TEMPLATE

Source		274,000	Operations		Units	I/P	Finance		I/P
Equity		99,000	Unit 1 - One Bedroom	per Month		750	<b>Tranche 1</b>		
	Investor1	80,000	Unit 2 - Two Bedroom	per Month		850	Principal	Principal_T1	150,000
	Investor2	19,000	Unit 3 - Two Bedroom	per Month		850	Term (Year)	Term_T1	20
Debt		175,000	Unit 4 - Two Bedroom	per Month		850	Interest Rate	Interest_T1	7.00%
	Tranche1	150,000					Structure (CPM:1, IO:2, C	Structure_T1	1
	Tranche2	25,000	Vacancy 1			6%	Origination Fee	Orig_Fee_T1	1.00%
Uses		274,000	Vacancy 2			6%	<b>Tranche 2</b>		
	Purchase Price	160,000	Vacancy 3			6%	Principal	Principal_T2	25,000
	Renovation	80,000	Vacancy 4			6%	Term (Year)	Term_T2	20
	Legal	3,500					Interest Rate	Interest_T2	15.00%
	Bank	2,000	Rental Escl	Annual		2%	Structure (CPM:1, IO:2, C	Structure_T2	1
	Personal	1,500					Origination Fee	Orig_Fee_T2	1.00%
	IDC (Interest Dur	24,700	Management	per Net Revenue		5%	<b>Valuation</b>		<b>I/P</b>
	Tax Escrow	1,300	Repairs	per Net Revenue		5%	Capitalization Rate	Cap_Rate	5.00%
	Finance Cost	4,500	Janitor	Per Year		2,600	Sales Expense	Sales_Exp	6.00%
<b>Surplus/(Deficit)</b>		-	Heat	Per Year		2,130	Discount Rate	Discount_Rat	10.00%
			Electricity	Per Year		1,000			
			Water	Per Year		1,200	<b>Sale Period</b>		<b>Sale_Term_Y</b>
			Property Tax	Per Year		7,800			10
			Insurance	Per Year		2,600			
<b>DSCR Min</b>		0.90							
<b>Cash-on-Cash Min</b>		-1.81%	Expense Escl	Annual		2%			
<b>IRR</b>		9.26%							

<b>Valuation:</b>												
	Year	1	2	3	4	5	6	7	8	9	10	
<b>Revenue:</b>												
Rental		39,600	40,392	41,200	42,024	42,864	43,722	44,596	45,488	46,398	47,326	
Vacancy		(2,257)	(2,302)	(2,348)	(2,395)	(2,443)	(2,492)	(2,542)	(2,593)	(2,645)	(2,698)	
<b>Total Revenue</b>		<b>37,343</b>	<b>38,090</b>	<b>38,851</b>	<b>39,628</b>	<b>40,421</b>	<b>41,229</b>	<b>42,054</b>	<b>42,895</b>	<b>43,753</b>	<b>44,628</b>	
<b>Expenses</b>												
Management		(1,867)	(1,904)	(1,943)	(1,981)	(2,021)	(2,061)	(2,103)	(2,145)	(2,188)	(2,231)	
Repairs		(1,867)	(1,904)	(1,943)	(1,981)	(2,021)	(2,061)	(2,103)	(2,145)	(2,188)	(2,231)	
Janitor		(2,624)	(2,677)	(2,731)	(2,786)	(2,842)	(2,900)	(2,958)	(3,018)	(3,079)	(3,141)	
Heat		(2,150)	(2,193)	(2,237)	(2,282)	(2,329)	(2,376)	(2,423)	(2,472)	(2,522)	(2,573)	
Electricity		(1,009)	(1,030)	(1,050)	(1,072)	(1,093)	(1,115)	(1,138)	(1,161)	(1,184)	(1,208)	
Water		(1,211)	(1,236)	(1,260)	(1,286)	(1,312)	(1,338)	(1,365)	(1,393)	(1,421)	(1,450)	
Property Tax		(7,872)	(8,031)	(8,193)	(8,358)	(8,527)	(8,699)	(8,875)	(9,054)	(9,237)	(9,423)	
Insurance		(2,624)	(2,677)	(2,731)	(2,786)	(2,842)	(2,900)	(2,958)	(3,018)	(3,079)	(3,141)	
<b>Total Expenses</b>		<b>(21,224)</b>	<b>(21,652)</b>	<b>(22,088)</b>	<b>(22,533)</b>	<b>(22,987)</b>	<b>(23,450)</b>	<b>(23,923)</b>	<b>(24,405)</b>	<b>(24,897)</b>	<b>(25,399)</b>	
<b>Net Operating Income (NOI)</b>		<b>16,119</b>	<b>16,438</b>	<b>16,763</b>	<b>17,095</b>	<b>17,434</b>	<b>17,779</b>	<b>18,131</b>	<b>18,490</b>	<b>18,856</b>	<b>19,229</b>	
<b>Debt</b>												
Tranche 1		(13,955)	(13,955)	(13,955)	(13,955)	(13,955)	(13,955)	(13,955)	(13,955)	(13,955)	(13,955)	
Tranche 2		(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	(3,950)	
<b>Total Debt</b>		<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	<b>(17,906)</b>	
<b>Net Sales Proceeds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,105</b>	
<b>Reversion FCF</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,105</b>	
<b>Operating FCF</b>		<b>(1,787)</b>	<b>(1,468)</b>	<b>(1,142)</b>	<b>(810)</b>	<b>(472)</b>	<b>(127)</b>	<b>225</b>	<b>584</b>	<b>950</b>	<b>1,324</b>	
<b>Total FCF</b>	<b>(99,000)</b>	<b>(1,787)</b>	<b>(1,468)</b>	<b>(1,142)</b>	<b>(810)</b>	<b>(472)</b>	<b>(127)</b>	<b>225</b>	<b>584</b>	<b>950</b>	<b>249,429</b>	
DSCR		0.90	0.92	0.94	0.95	0.97	0.99	1.01	1.03	1.05	1.07	
	Minimum	0.90										
Cash-on-Cash		-1.81%	-1.48%	-1.15%	-0.82%	-0.48%	-0.13%	0.23%	0.59%	0.96%	1.34%	
	Minimum	-1.81%										

PV Reversion	95,655	103.59%
PV Operating	(3,313)	-3.59%
Total	92,343	100.00%
CF <sub>0</sub>	(99,000)	
NPV	(6,657)	
IRR	9.26%	
<i>Desired PV Reversion (30%)</i>		
<i>Desired PV Operating (70%)</i>		